

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF KIRKSVILLE WATER)	
ASSOCIATION, INC. FOR A CERTIFICATE OF)	
PUBLIC CONVENIENCE AND NECESSITY TO)	CASE NO.
CONSTRUCT, FINANCE AND INCREASE RATES)	2000-368
PURSUANT TO KRS 278.023)	
)	

O R D E R

On August 21, 2000, Kirksville Water Association, Inc. ("Kirksville Water") submitted an application for a Certificate of Public Convenience and Necessity to construct, finance, and increase rates for a \$594,400 waterworks improvement project. This project consists of the installation of approximately 1.2 miles of 8-inch water transmission mains and the construction of a 200,000 gallon elevated water storage tank to provide additional storage capacity and reliability to the existing distribution system. Project funding consists of a \$250,900 loan from the U.S. Department of Agriculture's Rural Development ("RD"), excess funds from the Cuzick Project in the amount of \$143,500, and a \$200,000 contribution from the applicant.

Kirksville Water's application was made pursuant to KRS 278.023, which requires the Commission to accept agreements between water utilities and the U. S. Department of Agriculture or the U. S. Department of Housing and Urban Development and to issue the necessary orders to implement the terms of such agreements within 30 days of satisfactory completion of the minimum filing requirements. Given that minimum

filing requirements were met in this case on August 21, 2000, KRS 278.023 does not grant the Commission any discretionary authority to modify or reject any portion of this agreement.

IT IS THEREFORE ORDERED that:

1. Kirksville Water is granted a Certificate of Public Convenience and Necessity for the proposed construction project.

2. Kirksville Water's proposed plan of financing with RD is accepted.

3. Kirksville Water is authorized to issue bonds not to exceed \$250,900.

4. Kirksville Water shall file a copy of the "as-built" drawings and a certified statement that the construction has been satisfactorily completed in accordance with the contract plans and specifications within 60 days of the substantial completion of the construction certificated herein.

5. The rates set out in Appendix A, which is attached hereto and incorporated herein, are the rates approved for service rendered on and after the date of this Order.

6. Kirksville Water shall submit its revised tariff setting out the rates in Appendix A within 30 days of the date of this Order.

7. Kirksville Water shall monitor the adequacies of the expanded water distribution system after construction. If the level of service is inadequate or declining or the pressure to any customer is outside the requirements of 807 KAR 5:066, Section 5(1), Kirksville Water shall take immediate action to maintain the level of service in conformance with the regulations of the Commission.

8. Kirksville Water shall notify the Commission one week prior to the actual start of construction and at the 50 percent completion point.

9. Three years from the effective date of this Order, Kirksville Water shall file an income statement, along with any pro forma adjustments, in sufficient detail to demonstrate that the rates approved herein are sufficient to meet its operating expenses and annual debt service requirements.

Nothing contained herein shall be deemed a warranty of the Commonwealth of Kentucky, or any agency thereof, of the financing herein accepted.

Done at Frankfort, Kentucky, this 20th day of September, 2000.

By the Commission

ATTEST:

Deputy Wm H. Fowler
Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2000-368 DATED SEPTEMBER 20, 2000

The following rates and charges are prescribed for the customers in the area served by Kirksville Water Association, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

Monthly Water Rates

First	2,000 gallons	\$ 12.32	Minimum bill
Next	3,000 gallons	5.89	per 1,000 gallons
Next	5,000 gallons	4.78	per 1,000 gallons
Over	10,000 gallons	3.72	per 1,000 gallons